

Tell the Department of Interior to Close the Coal Royalty Loophole

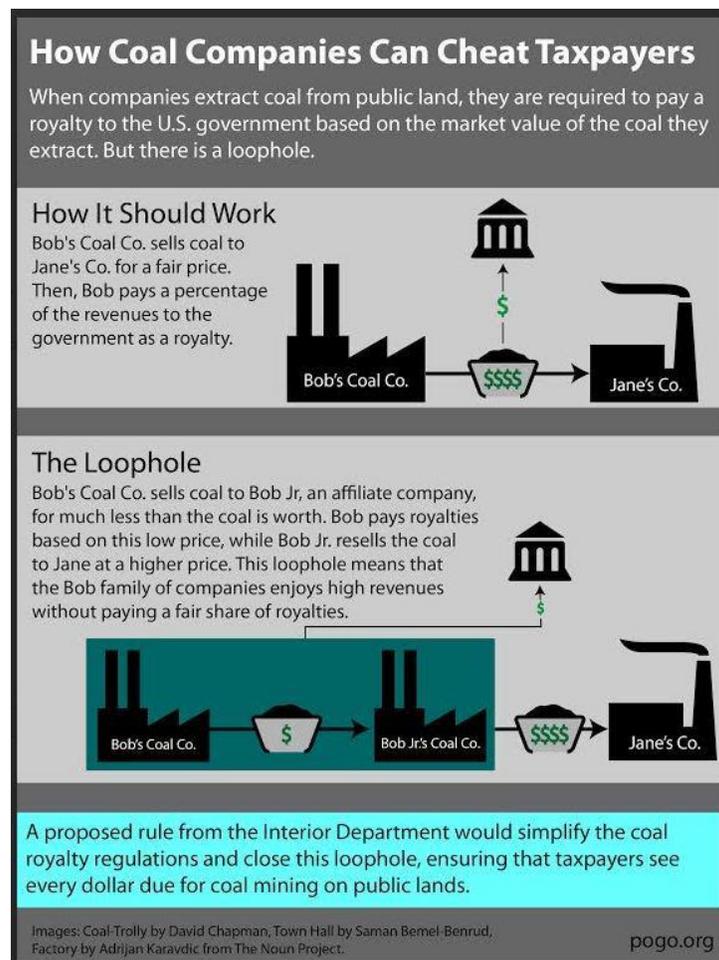
Submit comments by May 8th

Dear Members,

Coal companies have spent years building a vast network of hundreds of subsidiaries (556 of them in Wyoming and Montana alone) which they use to cheat the royalty system. That's a big deal because the vast majority of coal mined in Wyoming belongs to you and me – the taxpayers of the United States – and federal royalties help fund schools, highway improvements, and local infrastructure.

The coal companies sell coal to themselves at artificially low prices — paying the public a deflated royalty — then turn around to sell the coal at a higher profit, and pocket the difference - without paying a cent in royalties on the markup.

Here's how it works:



Instead of paying royalties off of self-dealing, companies should pay royalties based on the true market value of coal — meaning the final value of coal sold to a power plant or exporter.

Anything less denies the American public our share of the value of a resource we own and subsidizes coal mining and coal exports.

Lucky for us, the Office of Natural Resources Revenue, a branch of the Department of Interior, is proposing to close the affiliate company loophole to ensure royalties are paid based on arms-length transactions.

Please submit comments to support the Department of Interior's proposed royalty rule by May 8th, 2015. You can submit comments via the regulations.gov website. Go to <http://www.regulations.gov/#!submitComment;D=ONRR-2012-0004-0024> to submit your comments.

Alternatively, you can also mail comments to Armand Southall, Regulatory Specialist, Office of Natural Resources Revenue, P.O. Box 25165, MS 61030A, Denver, CO 80225. Just be sure they will arrive by May 8th.

For more information on the proposed rule, check out this [good blog post from the Project on Government Oversight](#).

Thanks for your action and support!

Here is a sample comment letter:

RE: (RIN) 1012-AA13, Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform

I'm writing to support reform of royalty valuation on taxpayer-owned coal. We need to close the gaping loopholes that allow coal companies to dodge royalty payments owed to American taxpayers, and ensure that companies pay their fair share. Instead of paying royalties based on non-arms-length transactions to subsidiaries, royalties should be calculated off arm's-length sales, capturing what this coal is actually worth.

Your final rule should reflect the true value of publicly-owned coal and ensure fair value to taxpayers by basing royalties on the final sale of the coal to a power plant, exporter, or other end-user. It should also cap deductions for transporting and washing coal instead of allowing companies to pass these full costs onto the public.

Thank you.